(vii) The Textile Export Promotion Councils have been undertaking promotional measures for boosting exports of textiles to various countries.

(c) and (d) Yes, Sir. The industry has taken advantage under TUFS to modernize itself. An amount of Rs. 6100.82 crore involving 1782 applications has been sanctioned upto 31st December, 2002. Out of which, an amount of Rs. 5243.22 crore stands disbursed to 1430 applicants. Lately, the share prices of some important textile units have also been showing an increasing trend.

Limited bilateral deal in textiles

914. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether India and the European Union (EU) are examining the possibility of a limited bilateral deal in textiles to compensate New Delhi for the likely loss of over 250 million Euro arising out of diversion of trade to Pakistan due to duty-free access being granted to it by EU;

(b) if so, whether any final decision in this regard was reached during the 12th session of the India-EU joint commission held in Brussels on July 10, 2002; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (c) The scheme of Generalised System of Preferences (GSP) of the European Union (EU) for the period 1st January, 2002 to 31st December, 2004 *inter alia* provides for suspension by the EU of customs duties for all products which have not graduated under special tariff arrangements to combat drug production and trafficking. Pakistan is one of the beneficiary countries under this special arrangement. As this may adversely affect India's exports to EU, India had taken up this issue with EU through bilateral consultations held in February, 2002 and July, 2002 and consultations under the Dispute Settlement Mechanism of WTO on 25th March, 2002. During these consultations it was highlighted that India would stand to lose substantial trade on account of duty concessions given to Pakistan. The EU was requested to rectify the adverse trade impact due to such concessions. The EU has not yet

addressed our concerns in this regard. While we are still open to remedial action from the EU side, India sought the establishment of a panel in the dispute. The Dispute Settlement Body (DSB) has, during its meeting on 22nd January, 2003, established the panel to examine India's claim in the dispute.

Changing the duty entitlement passbook rates

915. DR. T. SUBBARAMI REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether the readymade garment exporters are gradually losing their competitiveness in quota markets like the United States, European Union and Canada on account of escalating cost at home and high import duty imposed by these countries;

(b) if so, whether the revenue department has initiated a move to verify the present market value of exports to fix duty entitlement passbook rates;

(c) whether Government has received the revenue department's report on this; and

(d) if so, the steps being considered by Government to change the duty entitlement passbook rates to help the garment exporters?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) As per data reported by Apparel Export Promotion Council, readymade garment exports to quota countries (United States, European Union and Canada) increased from US$3902.6 million in 2001 to US$ 4104.3 million in 2002, thereby recording a growth of 5.2%.

(b) and (c) There is no relationship of competitiveness with verification of Present Market Value (PMV) of exports. However, Department of Revenue has issued a Circular No. 77/2002-Cus. dated the 27th November, 2002, prescribing guidelines for present market verification under Duty Entitlement Passbook (DEPB) Scheme. As per the circular, PMV is not to be resorted to in a routine manner and should be undertaken only on the basis of intelligence and concrete evidence.

(d) After taking into Special Additional Duty of Customs (SAD) factor in DEPB Scheme, Department of Commerce have issued a Public Notice